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July 31, 2009

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VIA ELECTRONIC FILING

Anne K. Quinlan, Acting Secretary Surface Transportation Board 395 E. Street Southwest ... Washington, DC 20423-0001

> U.S. Rail - Construction And Operation Exemption STB Finance Docket No. 35141

Dear Ms. Quinlan:

Please accept this joint status report from Respondent Town of Brookhaven ("Brookhaven") and Petitioner U.S. Rail Corporation ("U.S. Rail") pursuant to the Board's June 12, 2009 Decision in the above-captioned matter. THE REPORT OF THE PARTY

The parties are still actively engaged in settlement negotiations and have been working toward a stipulation discontinuing this action and resolving the outstanding issues between the parties.

James H.M. Savage, attorney for U.S. Rail, has reviewed this letter and agrees with its content.

We will continue to keep the Board apprised of the status of negotiations.

Respectfully Submitted,

LAW OFFICES OF MARK A. CUTHBERTSON

Jessica P. Driscoll

Attorney for Respondent Town of Brookhaven

CC: Karen M. Wilutis, Esq. James H. M. Savage, Esq. John D. Heffner, Esq.

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